

Message Text

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ACTION SS-30

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INFO AMEMBASSY CAIRO

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AMEMBASSY AMMAN

USINT ALGIERS

AMEMBASSY BONN

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY ROME

AMEMBASSY PARIS

AMEMBASSY TOKYO

AMEMBASSY TEL AVIV

AMEMBASSY TEHRAN

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EXDIS

BEIRUT PASS BAGHDAD

E.O.: 11652: GDS

TAGS: ENRG, SA

SUBJ: U.S.-ARAB ECONOMIC COOPERATION AND THE MIDDLE EAST

POLITICAL RELATIONS ARE INSEPARABLE, ACCORDING TO

SAUDIS

SUMMARY: ALL SAUDIS WHO MET WITH TREASURY SECRETARY
SIMON IN TAIF YESTERDAY (JULY 20) MADE THE POINT THAT
THE NEW ECONOMIC AND POLITICAL RELATIONSHIPS WITH SAUDI
ARABIA DEPENDED ALMOST EXCLUSIVELY ON ACHIEVEMENT OF A
JUST PEACE IN THE MIDDLE EAST - INCLUDING RESTORATION OF
THE 1967 BORDERS. SECRETARY SIMON ASSURED THE SAUDIS THAT
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PRESIDENT NIXON WAS COMMITTED TO A JUST AND DURABLE

PEACE AND THAT HE WOULD NOT CEASE HIS EFFORTS UNTIL IT
HAD BEEN ACHIEVED. END SUMMARY.

1. ONE POINT MADE BY THE SAUDIS WHICH CAME THROUGH WITH UN-MISTAKABLE CLARITY DURING THE VISIT TO TAIF (SAUDI SUMMER CAPITAL) YESTERDAY (JULY 20) OF SECRETARY SIMON WAS THAT THE NEW SAUDI-U.S. ECONOMIC RELATIONSHIP DE-PENDED ALMOST EXCLUSIVELY ON CONTINUATION OF U.S. PEACE EFFORTS IN THE MIDDLE EAST, AND ULTIMATELY ON THE ACHIEVEMENT OF A "JUST PEACE" IN THE MIDDLE EAST.

2. PRINCE MUSA'ID, MINISTER OF FINANCE, CONCLUDED A LENGTHY MEETING ON FINANCIAL COOPERATION (SEPTEL) WITH THE FLAT STATEMENT THAT ALL OF OUR HOPES WOULD, OF COURSE, COME TO NOTHING IF A JUST PEACE WERE NOT ACHIEVED IN THE MIDDLE EAST.

3. PRINCE FAHD (SAUDI MINISTER OF INTERIOR) DEVOTED ALMOST HALF OF HIS HOUR WITH SECRETARY SIMON TO THIS TOPIC. HE SPOKE ELOQUENTLY AND IN CONSIDERABLE DETAIL ABOUT THE REMARKABLE ACHIEVEMENTS OF PRESIDENT NIXON AND SECRETARY KISSINGER IN THE MIDDLE EAST SINCE LAST OCTOBER'S WAR. HE SAID THAT THE RAPID RESTORATION OF AMERICA'S POSITION IN THE MIDDLE EAST DEMONSTRATED THE BASIC ANTI-COMMUNISM OF THE ARABS AND THEIR DESIRE TO WORK CLOSELY WITH AMERICA. HE HAD NO DOUBT THAT THE PROPOSALS WE HAD MADE ON ECONOMIC COOPERATION WERE WISE AND SOUND, AND THAT SAUDI ARABIA AND ALL ARABS WOULD BENEFIT FROM THEM. ACHIEVEMENT OF PEACE, HE SAID, WOULD RESULT IN THE TOTAL ELIMINATION OF COMMUNISM FROM THE AREA. YET, HE SAID, THIS NEW U.S.-ARAB STRUCTURE IS FRAGILE. IT IS BASED NOT ON PAST AMERICAN ACHIEVEMENTS - FOR THEY WERE RELATIVELY UNIMPORTANT - THEY WERE BASED ON TRUST IN THE UNITED STATES AND CONFIDENCE THAT IT WOULD BE SUCCESSFUL, AS IT HAD PROMISED TO BE, IN ITS EFFORTS TOWARD PEACE. IF PEACE IS NOT ACHIEVED; IF ISRAEL REMAINS OBDURATE AND UNITED STATES CANNOT MOVE IT BACK FROM THE PRESENT LINES, THE ENTIRE NEW U.S. POSITION IN THE MIDDLE EAST WOULD BE DESTROYED, HE SAID. THE RUSSIANS WOULD REUTRN AND BE IN AN EVEN STRONGER POSITION THAN THEY WERE IN OCTOBER 1973.

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4. THE KING DID NOT MAKE THE POINT WITH THE SAME EXPLICITNESS, BUT HE DID SPEAK AT GREAT LENGTH OF THE EFFORTS OF THE ZIONISTS AND COMMUNISTS TO DESTROY PRESIDENT NIXON AND TO END HIS PEACE EFFORTS IN THE AREA. HE ALSO WARNED THAT IF THIS SUCCEEDS, THE CONSEQUENCES FOR BOTH THE ARABS AND AMERICANS WOULD BE DISASTROUS.

5. SECRETARY SIMON REPLIED IN ALL THREE MEETINGS THAT

PRESIDENT NIXON WAS COMMITTED TO JUST AND DURABLE PEACE IN THE MIDDLE EAST. HE SAID HE HAD SPOKEN WITH THE PRESIDENT JUST BEFORE HE HAD LEFT AND HE KNEW THE PRESIDENT WOULD NOT CEASE IN HIS EFFORTS UNTIL PEACE HAD BEEN ACHIEVED.

6. IN A SEPARATE CONVERSATION, AFTER SECRETARY SIMON'S DEPARTURE, THE AMBASSADOR ASKED AHMAD ZAKI YAMANI IF THE MINISTERS HAD BEEN INSTRUCTED TO TAKE THIS LINE WITH SECRETARY SIMON. YAMANI SAID THERE HAD BEEN NO FORMAL INSTRUCTIONS BUT THE ENTIRE CABINET KNEW THE SAUDI POSITION. THE KING'S VIEWS WERE CLEAR AND THERE WAS NO DISSENSION - EVEN FROM THE CONSERVATIVES OF THE TECHNOCRATS. YAMANI SAID HE THOUGHT IT WAS IMPORTANT THAT SAUDI UNANIMITY ON THIS MATTER BE MADE QUITE CLEAR TO WASHINGTON.

7. IN A PRESS CONFERENCE EARLIER IN THE DAY, YAMANI SAID HE HAD BEEN ASKED WHAT WOULD HAPPEN IF ISRAEL REFUSED ANY FURTHER WITHDRAWALS FROM THE ARAB LANDS IT HAD CONQUERED IN 1967. YAMANI REPLIED, "THEN THERE WILL BE WAR." HE WAS THEN ASKED WHAT THIS WOULD MEAN FOR THE U.S. HE REPLIED THAT IF THE U.S. AGAIN WEIGHTED IN HEAVILY ON THE SIDE OF ISRAEL, THE BOYCOTT QUITE CLEARLY WOULD BE RESTORED. YAMANI ADMITTED THAT HE PROBABLY SHOULD NOT HAVE BEEN TRICKED INTO ANSWERING A HYPOTHETICAL QUESTION BUT HE SAID, "PERHAPS IT'S NOT SO HYPOTHETICAL" AND "ANYWAY, EVERYBODY KNOWS THAT THIS IS TRUE."

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